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NATIONAL ASSOCIATION OF RETIREMENT COUNSELORS HOSTS PHILIPPINE RETIREMENT AUTHORITY

The National Association of Retirement Counselors (NARC), the trade association for senior serving professionals, globalized its focus as it hosted the Washington, DC visit of P/D Gen. Edgar B. Aglipay, PNP (Ret.), Chairman of the Philippine Retirement Authority. Gen. Aglipay visited the United States on a mission to learn about U.S. retirement services and how they may help both the Philippines and Americans seeking to retire abroad.

The globalization of healthcare and senior services is an issue that will draw increasing attention in the coming years. Through a series of tours and discussions led by NARC President Alan Dubow, General Aglipay and members of his staff were able to observe retirement living and senior care options available in the United States as a possible model for development of future services in the Philippines.

“Here in the United States we have already observed a trend of retirees moving to countries where the cost of living is lower in order to stretch their fixed retirement incomes. As the American ‘Baby Boom’ population ages, we expect this demand to increase. Senior care is a well developed industry in this country and we are interested in tracking the movement of our care options into the global market. With the relatively lower cost of living in the Philippines, as compared to the United States, and the strong cultural ties between the countries, including many Philippine nationals living in the U.S., any initiative to examine global options for American retirees would need to include the Philippines.”

Among the highlights of the visit was a program held at the Philippine Embassy, hosted by Ambassador Willy C. Gaa and facilitated by Trade Counselor Romulo Manlapig, in which developments in Philippine retirement were presented to a group of stakeholders and potential investors assembled by NARC International Program Manager, Daisy Tucay. The roundtable forum heard presentations by Gen. Aglipay and Dr. Dubow as a starting point for sharing visions and goals for health and housing services in the Philippines, while noted DC area neurologist Peter Bernad provided a practitioner’s perspective on key clinical issues. Key discussion points included the possibility of Medicare and insurance portability for Americans to the Philippines, time limited visas for nurses, physicians or therapists from the Philippines to work and train in the United States and a system of quality standards for Philippine healthcare providers using U.S. models.

Capping the visit was a tour and reception at Sunrise Senior Living’s Assisted Living Community on Connecticut Avenue in Washington, DC which provided Gen. Aglipay and party with an opportunity to both view an urban retirement community and to meet individuals involved in serving seniors in the U.S.

For further information, contact Alan Dubow at 703-566-5646.



Standing (L-R): Lory Morgia, Philippine Retirement Authority; Adolfo Paglinawan; Nonoy Mendoza; Christian Co, Executive Director, Sunrise on Connecticut Avenue; Domingo Tucay, Jr.; Gen. Edgar B. Aglipay, PNP (Ret.), Chairman of the Philippine Retirement Authority; Jon DeGuzman, Sunrise Senior Living; Jun Capistrano, Philippine Retirement, Inc.; Alan Dubow, President, NARC; Jeanne Stanislaski, Sunrise Senior Living; MaryAnn Esposito, Family & Nursing Care.

Seated (L-R): Margie Paglinawan; Annie Wilderman; Cecile Gordon-Mullen; Daisy Tucay, NARC Director of International Programs; Dr. Bambi Lorica.

Embassy of the Philippines

Washington D.C.

Stakeholders' Session on the Philippine Retirement Industry
16 September 2008 (Tuesday) – 2:30 - 4:00 p.m. – Conference Room

DOCUMENTATION

The Philippine Embassy in Washington D.C. hosted a Stakeholders' Session on the Philippine Retirement Industry on 16 September 2008. The Philippine Retirement Authority (PRA) Delegation was led by Chairman, Brig. Gen Edgar B. Aglipay (Ret.), Philippine Retirement Institute (PRI) Secretary General Jun Capistrano, and PRA Marketing Manager, Ms. Lory Morgia.

The session was attended by members of the Filipino community in Metro D.C., potential investors and healthcare practitioners whose insights on the mature American market would be valuable to the marketing efforts of the PRA.

Economic Officer Angelito Nayan opened the session saying that the Philippines is a viable retirement destination not only because of the Filipinos' legendary hospitality but also, and more importantly, the presence of world class facilities, and given the professional medical/healthcare services that cater to retirees. Mr. Nayan encouraged the attendees to look at the market opportunities as well as make recommendations on how best to move this flagship program forward given the competition in the retirement industry.

Commercial Counselor Romulo Manlapig set the tone of the meeting by informing the panel that the forum will address issues and concerns regarding the retirement industry, with the objective of making retirement opportunities in the Philippines more marketable.

During his presentation, Chairman Aglipay, highlighted the Philippines as the best place in Asia to retire for two reasons: the religion is "permissive" and the majority of the population speak fluent English.

Since the Retirement Industry is identified as a flagship project, the Philippine government has put in place incentives for potential investors. Additionally, a Memorandum of Agreement (MOA) with the Local governments of the identified *focal cities* have been signed. A focal city is defined as a city with retirement communities that have proximity to such amenities as hospital, recreation and leisure, and shopping.

Retirement facilities in the Philippines are being offered by the major developers namely, Ayala Land, SM Investments, Filinvest, Robinsons Land, Megaword, and Eton Properties (the Lucio Tan Group of Companies).

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Presently there are about 250,000 American nationals and 100,000 Australian nationals residing in the Philippines.

For the potential retiree, Chairman Aglipay said that there are different entry points for the potential retiree.

The PRI, represented by its Secretary Jun Capistrano, explained that PRI is a non profit association helping the PRA in their marketing efforts.

Mr. Alan Dubow, Executive Director of Capital Health Solutions and Chairman of the National Association of Retirement Counselors (NARC), led the panel response by saying that “the sophisticated and comprehensive retirement industry in the US is a system to emulate.” He added, however, that given the current financial realities, there is growing concern about the need to extend the retirement dollars, given that more and more members of the retirement population are living far longer in their retirement years. The mature market, popularly referred to as the baby boomers, are living healthy and active lives. This phenomenon will impact on the sustainability of the retirees’ pension funds. (NARC advises people to make informed decisions about retirement.)

Mr. Dubow, who has two decades of experience in the healthcare industry and who has brought attention to the issues and concerns of adult healthcare, said that there is a need to change the rules of medical care for pensioners. He raised concern that the system can collapse if the source of funding dries. “The current math does not show that it can be sustained.”

He assessed that in this landscape, that the viability of positioning the Philippines as an alternative retirement destination is strong. The economic impact of healthcare in the Philippines, at 35% - 45% of US costs, is a definite attraction. This positioning, together with cultural and political similarities, combine to serve as a strong pull for the US retirement market.

Ms. Daisy Tucay, of NARC and former nurse practitioner from George Washington University Hospital, said that “continuum of care” is critical because it impacts on the financial position not only of the retiree but everyone involved like the family.

The continuum of care is catered now by hospices (*please see attached NARC’s matrix on Senior Care & Housing Options*)

Dr. Peter Bernad, an eminent neurosurgeon in Washington D.C. who collaborates with hospices on a voluntary capacity, continued on this point saying that hospice care is a growing segment in the retirement market. He pointed out that the pioneer in this industry in the United States was in fact a Filipina doctor, Dr. Josefina Magno.

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According to Mrs. Tucay, Dr. Josefina Magno was a Filipino oncologist who developed the Georgetown University Pilot Project on Hospice Care in the early 70s. She was also the Director of Hospice Education and R&D at the Henry Ford Health System, and founder of the Academy of Hospice Physicians, a leading exponent of hospice care in the United States. The data from the project became useful to the U.S. Congress when The Social Security Act was amended to have hospice care reimbursable by Medicare and Medicaid. Private insurers soon followed.

Dr. Bernad said that in the continuum of care, the nursing care is the biggest expense component. It is not only exorbitant but also short of staff. With over 25 years experience in the medical field, Dr. Bernad claimed the quality of nurse graduates from the Philippines is almost unequalled. In fact, he said that physicians prefer working with Filipino nurses because they show a level of care and professionalism not commonly seen in other nationalities. He added that if there was an “Olympics for the nursing profession, the Filipino nurses would easily take the gold.”

Gen. Aglipay informed the group that there is currently around 400,000 nursing graduates in the Philippines looking for employment.

This excellent pool of healthcare professionals is a definite competitive advantage for the Philippine Retirement Industry especially with the growing popularity of telemedicine.

Telemedicine may be as simple as two health professionals discussing a case over the telephone, or as complex as using satellite technology and video-conferencing equipment to conduct a real-time consultation between medical specialists in two different countries. Telemedicine generally refers to the use of information and communication technologies (ICT) for the delivery of clinical care.

Dr. Bernad explained that this “technology would allow physicians to take care of patients without being there.” Patients will be cared for in a home setting and their physicians can talk to the nurses in real time. This scenario would greatly help in cutting healthcare costs.

Mr. Manlapig agreed that a US provider monitoring an offshore client is a win-win situation. He said that this type of service delivery should be adopted under Medicare.

However, the biggest drawback has been the legislated limitation of Medicare coverage only to facilities within the US territory (except Guam and Saipan).

Mr. Sonny Florendo, a Filipino engineer/businessman considering retirement in the Philippines, raised the issue of Medical Portability.

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Mr. Florendo said that with the telemedicine technology the point of service is now internationalized, a good development. “But there is a need to address the issue of portability,” Mr. Florendo added.

Mr. Manlapig, who moderated the discussion, said that the issue of portability has the effect of lowering the cost per capita of Medicare. Unfortunately, in the current political landscape, medical portability is not likely to be taken up at least in the next two years. “We need to develop a business model that will not require immediate portability. There are ‘sweet spots’ such as companies which support internal corporate insurance like CBS.”

From a regulatory point of view, Mr. Dubow suggested to the group that it is beneficial to get US Congress to look at the Philippines as a viable alternative as this will have positive impact on the cost of retirement in general.

Gen. Aglipay concurred that there is hard work ahead for the industry. RP needs to be accredited; prices must be standardized.

The meeting was concluded by remarks from Mr. Romulo Manlapig, who addressed the next steps and the importance of working together so we can clearly define the market that will be a perfect fit for the retirement opportunities that are available in the Philippines today.

Mr. Manlapig rounded up the discussion by identifying a new opportunity. “The sense of this meeting is that the “*sick sector*” is a market segment that the Philippines needs to look at. It could possibly offer the biggest bang for the buck. We can leverage our arbitrage in nursing care, which should be around 15% of US labor rates. There could be other items we ought to mitigate such as movement costs. The challenge is to continue searching for the sweet spot in the non-active sector. How we position that is not clear yet. We have to define the value proposition that is attractive not only to the US retirement population, but especially to the ethnic Filipino mature market in the US.”

While all the participants recognized that the Philippines as a retirement destination makes financial sense, there is a long process ahead. However, they are optimistic with the initial response of the group.

Ambassador Willy C. Gaa concluded the session, saying that “the Philippines has the facilities and management skills to carry out this program. The Philippines will be ready for the clients.”

END

SENIOR CARE & HOUSING OPTIONS

HOME HEALTH	Non-medical assistance with such tasks as bathing, dressing, meal preparation and transportation. Typically private pay, although Medicaid waivers may provide financial assistance in some cases.
HOME CARE	Licensed skilled health care services in the home, provided by nurses and therapists and usually covered by Medicare and Medicaid
ADULT DAY CARE	A range of geriatric day services, including social, nutrition, nursing, and rehabilitation, varying by state and provider. Most programs are like Assisted Living during the day for people living in their own homes.
RETIREMENT	Totally independent living with amenities such as meals, transportation and activities usually included in a monthly fee. Some, known as "Active Adult" communities feature resort-like settings aimed at younger retirees.
CCRC	Continuing Care Retirement Community - Full service communities offering retirement, assisted living and nursing services on one campus, with a promise of lifetime care in return for an entry fee.
ASSISTED LIVING	Multi-unit residential facilities that provide assistance with medications and daily activities such as bathing and dressing.
RESIDENTIAL	Usually single family homes licensed to provide assistance with medications, bathing and dressing. Some cater to a specific diagnosis.
NURSING/REHAB	Facilities licensed to provide skilled nursing services under the supervision of licensed nurses. These are common destinations for short term rehabilitation after a hospital stay, as well as for long term care.
SUB-ACUTE	Facilities licensed to provide nursing services, but specializing in higher levels of care.
RESPIRE CARE	The provision of a professionally trained person, usually at a senior care facility, who can take over caregiving responsibilities for a short time to allow the at-home caregiver to rest or get away.
ALZHEIMER'S	Facilities offering specialized programs for residents suffering from Alzheimer's Disease or other forms of memory loss. These programs can be offered by Residential, Assisted Living or Nursing facilities.
HOSPICE	End of life care provided in the home or a senior care facility. Services can include pain management and a variety of emotional, spiritual and physical support issues. Medicare and Medicaid provide financial assistance in most cases.



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